

VZCZCXRO4082
RR RUEHCHI RUEHDT RUEHFK RUEHHM RUEHKS RUEHNAG RUEHNH RUEHPB
DE RUEHBK #1088/01 1210514
ZNR UUUUU ZZH
R 010514Z MAY 09
FM AMEMBASSY BANGKOK
TO RUEHC/SECSTATE WASHDC 6897
INFO RUCNASE/ASEAN MEMBER COLLECTIVE
RUEHZU/ASIAN PACIFIC ECONOMIC COOPERATION
RUEHGV/USMISSION GENEVA 2125
RUCNDT/USMISSION USUN NEW YORK 5424

UNCLAS SECTION 01 OF 03 BANGKOK 001088

SIPDIS

DEPT FOR IO/EDA (DBALZER)

E.O. 12958: N/A

TAGS: [EAID](#) [EAGR](#) [IR](#) [CH](#) [INCB](#) [KS](#) [JA](#) [PK](#) [RS](#) [XB](#) [TH](#)

SUBJECT: UNESCAP 65TH COMMISSION SESSION DISCUSSES THE FINANCIAL CRISIS

1. (SBU) Summary. The United Nations Economic and Social Commission for Asia and the Pacific (UN ESCAP) held its 65th annual session at its headquarters in Bangkok on April 23-29. A recurrent topic of discussion was the current global economic downturn and the meeting's ministerial segment provided a snapshot of regional perspectives of a crisis largely considered to be externally created, but which a number of countries are seeking to address through fiscal stimulus packages. The Commission passed six resolutions by consensus, including again deferring action on Iran's proposal to establish a disaster management center in Tehran. Choosing the sites for three new sub-regional ESCAP offices will remain a delicate task for the Executive Secretariat. Participants noted the remarkably agreeable tone of this year's meeting, in which the most contentious issue proved to be the selection of the theme topic for ESCAP-66 next year. End summary.

Commentary on the Economic Crisis

2. (SBU) The theme of the ministerial segment of this year's meeting was "Towards sustainable agriculture and food security in the Asia-Pacific region." But most delegations devoted their statements to the impacts and their responses to the global financial crisis and economic downturn. The U.S. statement acknowledged the need for greater oversight and reform of the international financial system, but stressed the need for all countries to take appropriate actions to help resolve the crisis. (Note: Of the three ESCAP members outside the region-the U.S., the U.K. and France-only the U.S. takes an active part.)

3. (SBU) On April 28 the ESCAP Executive Secretary, Noeleen Heyzer, moderated a high-level panel on the economic crisis, comprising Mr. Kim Jong-hoon, Minister for Trade of the Republic of Korea; Mr. Abdoulie Janneh, Executive Secretary of the Economic Commission for Africa (ECA); Mr. Jan Kubis, Executive Secretary of the Economic Commission for Europe (ECE); Mr. Ajay Chhibber, Assistant Administrator and Director, Regional Bureau for Asia and the Pacific, UNDP (via recorded video message); and Mr. Martin Khor, Executive Director of the South Centre. Referring to this as the worst economic recession since the Great Depression, they stated that the crisis began outside of the region - from developed countries - and developing countries were not responsible, but were the hardest hit.

4. (SBU) The panelist from the ECA highlighted the need for developed countries to keep to their official development assistance (ODA) commitments - especially during this crisis. The panelist from the South Centre mentioned that some stimulus package measures in developed countries may contain protectionist elements that would have adverse effects on developing countries. There was one call for the developed countries which were responsible for the financial crisis to make "special compensation" to the developing countries which have been hurt the most. There was also strong condemnation of agricultural subsidies in developed countries. Despite these statements, however, the meeting was largely devoted to solving

problems, rather than casting blame.

15. (SBU) Common points over the course of the Commission were the need for a global solution to the financial crisis, the need to avoid protectionist measures, the need to consider the establishment of more stable and durable exchange rate systems at the regional level, the impact of "overdependence" on the US Dollar as a reserve currency, and the need for social protection systems. One country called for a re-evaluation of the market system as the basis for world food production. Vietnam, on the other hand, touted its turn to market capitalism as enabling it to turn from a rice importer to a major rice exporter. The Korean minister specifically mentioned his country's new project - the Green New Deal - which will seek to develop green technology, spur economic growth, and create new jobs in green industry.

New Resolutions largely non-controversial

16. (SBU) The slate of six resolutions taken up by the Commission was somewhat lighter than in previous years, with only two resolutions requiring substantive negotiation. In keeping with ESCAP tradition, all resolutions passed by consensus. Of the non-controversial resolutions: South Korea sponsored a resolution teeing up a high-level intergovernmental meeting on the final review of the Asian and Pacific Decade of Disabled Persons, 2003-2012. Japan put forth a resolution calling for continued support of ESCAP's Statistical Institute for Asia and the Pacific (SIAP), which it hosts. A Mongolia-sponsored resolution expressed general support for the Government of Mongolia to pursue establishment of a think-tank in Ulaanbaatar concerned with landlocked developing countries. Finally, an Indonesian-sponsored resolution provided for

BANGKOK 00001088 002 OF 003

an increase in the membership of the Governing Council of the Center for Alleviation of Poverty through Secondary Crops Development in Asia and the Pacific (CAPSA).

17. (SBU) As at previous ESCAP sessions, Iran again submitted a draft resolution concerning its proposal to host in Tehran an Asia-Pacific Center for Information, Communication and Space Technology-enabled Disaster Management (APIDM). Despite a resolution at last year's meeting that called upon Iran to revise its proposal to incorporate the recommendations of an independent consultant's feasibility study, the Iranian delegation provided only an oral intervention reiterating the priority its government attaches to the proposed center and promising full financial and in-kind support for its establishment. As before, a substitute resolution brokered behind the scenes by the Secretariat was approved that deferred consideration of the APIDM proposal and repeated the invitation to Iran to resubmit it after incorporating the consultant's recommendation.

18. (SBU) Indonesia sponsored a resolution following on a December 2008 meeting in Bali it convened in cooperation with the ESCAP Secretariat on "The food-fuel crisis and climate change: Reshaping the development agenda." USDel engaged actively to steer the resolution away from what would have been an inappropriate ESCAP endorsement of the meeting's non-negotiated "Bali Outcome Document" and to correct language that inaccurately lumped together the diverse issues of global food and fuel price volatilities, the financial crisis, climate change, and sustainable agriculture. The resolution calls for further analytic work by the Secretariat and a follow-on experts group meeting later in 2009 or 2010 to discuss regional progress in responding to the economic crisis and its impacts on development.

19. (SBU) Consideration in the Committees of the Whole of the numerous reports by the Secretariat and the subsidiary bodies of the Commission went largely uneventfully, with the exception of the question of the locations of three new sub-regional ESCAP offices (to cover East and North-East Asia, North and Central Asia, and South and South-West Asia) which had been approved by the UN General Assembly in December 2008. Pakistan, South Korea, and Sri Lanka (all of which had offered to host a center) registered objections to the report of an independent consultant who had recommended Beijing,

Almaty, and New Delhi be selected to host the new offices. Other delegations, including prospective hosts China, Kazakhstan and India, urged timely establishment of the new offices but avoided directly confronting their rivals. The Executive Secretary, pointedly noting an absence of consensus within the Commission, reaffirmed her intention to proceed with her own decision on the locations of the offices before the end of 2009, but she promised to take into account the views expressed and to "strongly consider" making site visits to each of the prospective host cities. Although the disgruntled delegations insisted on extensive edits to the portrayal of their positions in the meeting report, none pressed for action on the floor to overrule the Executive Secretary.

Most Contentious: What to talk about next year

¶10. (SBU) The most contentious item in the Commission meeting proved to be the selection of the "theme topic" for High-Level segment of next year's meeting. ESCAP meeting themes are largely pro-forma affairs, typically featuring long-winded speeches by ministers and very little actual dialogue, and in choosing the theme ESCAP has generally deferred to the preference of the government that will host the meeting (in this case, South Korea). This time, however, a schism quickly developed between proponents of the topics "Low carbon Green Growth: technology and financing" (led by South Korea, with support from Thailand and Japan) versus "Towards a stable and supportive financial system for achieving the Millennium Development Goals" (led by Russia, supported by China and Turkey). Following more than ten hours of debate spread out over four days, the sides acquiesced in a down-the-middle compromise quietly put forward by the Secretariat through the Chair of the Working Group: "Addressing challenges in the achievement of the Millennium Development Goals: -- Promoting a stable and supportive financial system; -- Green Growth or environmentally sustainable growth, including through technology and financing."

¶11. (SBU) The sixty-sixth meeting of ESCAP will take place in Incheon, Republic of Korea, in April or (more likely) May of 2010.

¶12. (SBU) The full texts of the resolutions and conference reports will be available on the ESCAP website at <http://www.unescap.org/65>.

¶13. (SBU) Comment: Many ESCAP veterans observed that this was one of the easiest sessions in years. The few areas of contention that

BANGKOK 00001088 003 OF 003

marked this meeting ultimately yielded to straightforward compromise or sputtered out on their own. The final decision on the locations of the three new sub-regional ESCAP centers may again flare tempers if not handled delicately by the Secretariat and the Commission will, at some point, need to deal substantively with Iran's proposed disaster management center. But delegates departed the UN Conference Center on April 29 in an upbeat mood.

¶14. (SBU) This cable was cleared by Daniel Balzer of IO/EDA.

JOHN#